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**TITLE 162
LEGISLATIVE RULE
CONSOLIDATED PUBLIC RETIREMENT BOARD**

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**SERIES 7
REFUND, REINSTATEMENT, RETROACTIVE SERVICE, LOAN AND CORRECTION OF
ERROR INTEREST FACTORS**

OFFICE OF THE CLERK
SECRETARY OF STATE

§162-7-1. General.

1.1. Scope. - This Rule addresses and identifies the interest rates which the Consolidated Public Retirement Board shall apply to the referenced member transactions which, from time-to-time, occur in the Board's administration of the State's several retirement systems.

1.2. Authority. - W. Va. Code §5-10D-1.

1.3. Filing Date. - June 28, 2016.

1.4. Effective Date. - June 28, 2016.

§162-7-2. Relationship to Prior Interest Rules.

2.1. This Rule is intended to replace any and all Rules which may have been, prior to the effective date of this Rule, previously adopted or promulgated by the Board regarding the attachment of interest on the referenced plan transactions. Any and all prior Rules are hereby repealed to the extent they are inconsistent with the provisions of this Rule.

2.2. This Rule and the interest rates specified are applicable to plan transactions which occur after June 30, 2000.

2.3. To the extent that the Board determines that any provisions of this Rule are in conflict with the provisions of an analogous state retirement system statute, the statutory law prevails and shall be applied.

§162-7-3. Refund Interest.

3.1. Refund interest shall be paid to a member as provided in this section when the member or beneficiary is eligible for and makes application for a refund of accumulated contributions in accordance with applicable plan provisions.

3.1.1. Deputy Sheriff Retirement System. In the event a member of the Deputy Sheriff Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum.

3.1.2. Public Employees Retirement System. In the event a member of the Public Employees Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum. Refund interest as provided for in this rule shall be consistent with and have the same meaning as "regular interest," as defined in W. Va. Code §5-10-2(21).

3.1.3. Teachers' Retirement System. In the event a member of the Teachers' Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum.

3.1.4. West Virginia State Police Death, Disability and Retirement Fund. In the event a member of the West Virginia State Police Death, Disability and Retirement Fund terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is the rate specified in W. Va. Code §15-2-37(a) at the time of the member's application for refund.

3.1.5. West Virginia State Police Retirement System. In the event a member of the West Virginia State Police Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is the rate specified in W. Va. Code §15-2A-8(a) at the time of the member's application for refund.

3.1.6. Judges' Retirement System. In the event a member of the Judges' Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, no interest shall be payable to that member as specified in W. Va. Code §51-9-12.

3.1.7. Emergency Medical Services Retirement System. In the event a member of the Emergency Medical Services Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum.

3.1.8. Municipal Police Officers and Firefighters Retirement System. In the event a member of the Municipal Police Officers and Firefighters Retirement System terminates covered employment and thereafter requests and is determined to be eligible to receive a refund of accumulated contributions, the interest rate applicable to the refund is four percent (4%), compounded per annum.

3.2. Miscellaneous refunds. In any circumstance in which the laws of the State of West Virginia and applicable Internal Revenue Code provisions permit an individual to receive a refund of retirement system contributions with interest payable, under circumstances not otherwise specified in this section, the rate of interest is four percent (4%), compounded per annum.

§162-7-4. Reinstatement.

4.1. A member who has previously terminated covered employment and withdrawn accumulated contributions, but later returns to employment with a participating public employer, may be eligible to reinstate his or her prior retirement system service credit if reinstatement is permitted under applicable law. The reinstatement of service credit shall in any event be contingent upon the member's repayment of contributions previously withdrawn from a state retirement system at the termination of his or her prior period of covered employment, plus interest thereon as provided for in this section.

4.1.1. Deputy Sheriff Retirement System. In the event a member of the Deputy Sheriff Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated covered employment, the member shall pay into the Deputy Sheriff Retirement System any contributions which the member may have previously withdrawn from the Deputy Sheriff Retirement System at the termination of any prior period of covered employment, plus reinstatement interest.

4.1.1.1. The rate of interest applicable to requests for reinstatement of service into the Deputy Sheriff Retirement System is, for all plan years between the date of the member's withdrawal of plan contributions and through June 30, 2000, four percent (4%) per annum. The rate of interest applicable to reinstatement requests for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum.

4.1.2. Public Employees Retirement System. In the event a member of the Public Employees Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the Public Employees Retirement System any contributions which the member may have previously withdrawn from the Public Employees Retirement System at the termination of any prior period of employment, plus reinstatement interest.

4.1.2.1. The rate of interest applicable to requests for reinstatement of service into the Public Employees Retirement System is, for all plan years between the date of the member's withdrawal of plan contributions and through June 30, 2000, four percent (4%) per annum. The rate of interest applicable to reinstatement requests for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum. Once a member commences repayment of the reinstatement amount plus, applicable interest, specified in this subsection, the interest rate shall be based upon the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which reinstatement payments commence, and that rate applies throughout the payment period providing the member remits payments on a timely basis, compounded on a basis as set by administrative rules and procedures.

4.1.3. Teachers' Retirement System. In the event a member of the Teachers' Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment under the Teachers' Retirement System, the member shall pay into the Teachers' Retirement System any contributions which the member may have previously withdrawn from the Teachers' Retirement System at the termination of any prior period of employment, plus reinstatement interest.

4.1.3.1. The rate of interest applicable to requests for reinstatement of service into the Teachers' Retirement System is, for all plan years between the date of the member's withdrawal of plan contributions and through June 30, 2001, six percent (6%) per annum. The rate of interest applicable to reinstatement requests for each plan year after June 30, 2001, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum.

4.1.4. Transfers of service. In the event a member of the Teachers' Retirement System requests and is determined to be eligible for a transfer of his or her credited service from the Public Employees Retirement System into the Teachers' Retirement System as provided for in W. Va. Code §18-7A-17, the member shall pay into the Teachers' Retirement System an amount equal to the difference between the contributions which the member made to the Public Employees Retirement System for the previous service, and the contributions the member would have made had he or she been a member of the Teachers' Retirement System for the period of previous service.

4.1.4.1. A member of the Teachers' Retirement System is entitled to a transfer of credited service in the Public Employees Retirement System as specified in subdivision 4.1.4. only to the extent that

the member repays into the Teachers' Retirement System any amounts which the member may have previously withdrawn from the Public Employees Retirement System, plus an amount equal to the difference between the contributions which the member made to the Public Employees Retirement System for the previous service, and the contributions the member would have made had he or she been a member of the Teachers' Retirement System for the period of previous service, plus interest at the rates specified in paragraph 4.1.4.2. of this rule.

4.1.4.2. The rate of interest applicable to requests for transfer of service from the Public Employees Retirement System to the Teachers' Retirement System as provided for in W. Va. Code §18-7A-17 is, for all plan years through March 7, 2003, six percent (6%) per annum. The rate of interest applicable to transfer of service requests for each plan year after March 7, 2003, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the transfer of service request is paid, compounded per annum.

4.1.5. Teachers' Defined Contribution Retirement System Service in Teachers' Retirement System. In the event a member of the Teachers' Retirement System requests and is determined to be eligible to restore retirement system service credit previously withdrawn from the Teachers' Defined Contribution Retirement System for periods of previously terminated employment as permitted pursuant to W. Va. Code §18-7D-5, the member shall pay into the Teachers' Retirement System any amount which the member may have previously withdrawn from the Teachers' Defined Contribution Retirement System and any forfeited employer contributions, if applicable, plus reinstatement interest from the date of distribution.

4.1.5.1. The rate of interest applicable to reinstate previously withdrawn service from the Teachers' Defined Contribution Retirement System into the Teachers' Retirement System shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the payment is made, compounded per annum.

4.1.6. Teachers' Defined Contribution Qualified Domestic Relations Order Service in Teachers' Retirement System. In the event a member of the Teachers' Retirement System requests and is determined to be eligible to restore retirement system service credit previously distributed to an Alternate Payee under the Teachers' Defined Contribution Retirement System pursuant to a Qualified Domestic Relations Order as permitted pursuant to W. Va. Code §18-7D-9, the member shall pay into the Teachers' Retirement System any amount which may have been previously distributed to an Alternate Payee from the Teachers' Defined Contribution Retirement System, plus reinstatement interest from the date of distribution.

4.1.6.1. The rate of interest applicable to reinstate into the Teachers' Retirement System previously distributed service to an Alternate Payee from the Teachers' Defined Contribution Retirement System shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the payment is made, compounded per annum.

4.1.7. Emergency Medical Services Retirement System. In the event a member of the Emergency Medical Services Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated covered employment, the member shall pay into the Emergency Medical Services Retirement System any contributions which the member may have previously withdrawn from the Emergency Medical Services Retirement System at the termination of any prior period of covered employment, plus reinstatement interest from the date of distribution.

4.1.7.1. The rate of interest applicable to requests for reinstatement of service into the Emergency Medical Services Retirement System for all plan years shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum.

4.1.8. Municipal Police Officers and Firefighters Retirement System. In the event a member of the Municipal Police Officers and Firefighters Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated covered employment, the member shall pay into the Municipal Police Officers and Firefighters Retirement System any contributions which the member may have previously withdrawn from the Municipal Police Officers and Firefighters Retirement System at the termination of any prior period of covered employment, plus reinstatement interest from the date of distribution.

4.1.8.1. The rate of interest applicable to requests for reinstatement of service into the Municipal Police Officers and Firefighters Retirement System for all plan years shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the reinstatement request is made, compounded per annum.

4.1.9. West Virginia State Police Retirement System. In the event a member of the West Virginia State Police Retirement System requests and is determined to be eligible to restore retirement system service credit for periods of previously terminated employment, the member shall pay into the West Virginia State Police Retirement System any contributions which the member may have previously withdrawn from the West Virginia State Police Death, Disability and Retirement Fund or the West Virginia State Police Retirement System at the termination of any prior period of employment, plus reinstatement interest at the rate specified in W. Va. Code §§15-2-37(b) and 15-2A-8(b).

4.2. Judges' Retirement System.

4.2.1. The interest rate applicable to the administrative request of any judge seeking to acquire retirement system service credit for prior periods of eligible service during which contributions were not withheld from the judge's salary and paid into the system shall, as provided for in W. Va. Code §51-9-5(a), be determined by the state auditor.

4.2.2. The interest rate applicable to the administrative request of any judge seeking to qualify service as a prosecuting attorney prior to 1987 as credited service in the Judges' Retirement System as provided for in W. Va. Code §51-9-4(f) shall be determined by the Board.

§162-7-5. Retroactive Service.

5.1. Public Employees Retirement System. In the event a member of the Public Employees Retirement System requests and is determined to be eligible to purchase retroactive service as defined in W. Va. Code §5-10-2 for periods of employment in which contributions were not deducted from the employee's compensation, the member shall pay into the plan contributions as specified in W. Va. Code §5-10-14(f), plus retroactive service interest.

5.1.1. The rate of interest applicable to requests to purchase retroactive service into the Public Employees Retirement System is, for all plan years between the date of the member's period of retroactive service and through June 30, 2000, four percent (4%) per annum. The rate of interest applicable to retroactive service purchases for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately

preceding the first day of the plan year in which the retroactive service purchase is made, compounded per annum.

§162-7-6. Loan Interest and Payments.

6.1. Loans made to members of the Deputy Sheriff Retirement System pursuant to W. Va. Code §7-14D-23 shall carry interest on the unpaid balance, at an annual effective interest rate which is two hundred (200) basis points higher than the most recent rate of interest used by the Board for determining actuarial contribution levels.

6.2. Loans made to members of the Teachers' Retirement System pursuant to W. Va. Code §18-7A-34 shall carry interest on the unpaid balance, at a rate commensurate with the numeric rate applied by the Board to loans made to members of the Deputy Sheriff Retirement System, or the rate of six percent (6%), whichever is higher.

6.3. All loan payments remitted by an employer are due the Teachers' Retirement System or the Deputy Sheriff Retirement System within fifteen (15) days following the end of the calendar month for which the payment is made.

6.4. All loan payments remitted by personal payment, if permitted, are due the Teachers' Retirement System or the Deputy Sheriff Retirement System by the last day of the calendar month for which the payment is due.

§162-7-7. Correction of Error.

7.1. Deputy Sheriff Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Deputy Sheriff Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred, with receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.1.1. of this rule.

7.1.1. The rate of interest applicable to the correction of error computation in the Deputy Sheriff Retirement System is four percent (4%) compounded per annum for plan years through June 30, 2000. The rate of interest applicable to the correction of error computation for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.2. Public Employees Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Public Employees Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred, with receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.2.1. of this rule.

7.2.1. The rate of interest applicable to the correction of error computation in the Public Employees Retirement System is four percent (4%) compounded per annum for plan years through June 30, 2000. The rate of interest applicable to the correction of error computation for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.3. Teachers' Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Teachers' Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred, with receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.3.1. of this rule.

7.3.1. The rate of interest applicable to the correction of error computation in the Teachers' Retirement System is six percent (6%) compounded per annum for plan years through June 30, 2000. The rate of interest applicable to the correction of error computation for each plan year after June 30, 2000, shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.4. Emergency Medical Services Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Emergency Medical Services Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred, with receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.4.1. of this rule.

7.4.1. The rate of interest applicable to the correction of error computation in the Emergency Medical Services Retirement System shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.5. Municipal Police Officers and Firefighters Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Municipal Police Officers and Firefighters Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred, with receipt of service credit being contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.5.1. of this rule.

7.5.1. The rate of interest applicable to the correction of error computation in the Municipal Police Officers and Firefighters Retirement System shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.6. Judges' Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Judges' Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred. The receipt of service credit is contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.6.1. of this rule.

7.6.1. The rate of interest applicable to the correction of error computation in the Judges' Retirement System shall be the actuarial interest rate assumption approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.7. State Police Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the State Police Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred. The receipt

of service credit is contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.7.1. of this rule.

7.7.1. The rate of interest applicable to the correction of error computation in the State Police Retirement System shall be the actuarial interest rate assumption approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

7.8. Teachers' Defined Contribution Retirement System. In the event the Board determines that an error has occurred resulting in an underpayment to the Teachers' Defined Contribution Retirement System, the member is entitled to receive retirement system service credit for the prior period of employment in which the error occurred. The receipt of service credit is contingent upon the Board's receipt of the employee and employer contributions, plus interest at the rate specified in subdivision 7.8.1. of this rule.

7.8.1. The rate of interest applicable to the correction of error computation in the Teachers' Defined Contribution Retirement System shall be the actuarial interest rate assumption for the Teachers' Retirement System approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the correction of error payment is made, compounded per annum.

§162-7-8. Purchase of Service.

8.1. Other Purchases of Service. Unless otherwise specified, the rate of interest applicable to requests to purchase service in any of the retirement systems administered by the Board shall be the actuarial interest rate assumption as approved by the Board for completing the Actuarial Valuation for the plan year immediately preceding the first day of the plan year in which the purchase of service is made, compounded per annum.